

CLOSEOUT AGREEMENT

THIS AGREEMENT entered into by and between the Boston Redevelopment Authority (hereinafter referred to as the "LPA"), the City of Boston (hereinafter referred to as the "City"), and the Department of Housing and Urban Development (hereinafter referred to as "HUD"), acting through the Secretary of her duly authorized agent.

WTNESSETH

WHEREAS, the LPA has entered into a Loan and Grant Contract with HUD for the undertaking of an urban renewal project, pursuant to the provisions of Title I of the Housing Act of 1949, as amended, such project identified as Project No. Mass. R-24 (hereinafter called the "Project"); and the City has entered into a Cooperation Agreement with the LPA for making available financial and other assistance for the project, and

WHEREAS, the LPA has with the concurrence of the City submitted an application for financial settlement of the Project which will result in full repayment of all temporary loans pursuant to Section 112(b) of the Housing and Community Development Act of 1974 (P.L. 93-383) and the provisions of 24 CFR Part 570, Subpart I, and such settlement under the terms of this Agreement has been approved by resolution of the governing body of the City on July 11, 1977, and

WHEREAS, the LPA has submitted a Certificate of Completion and of Gross and Net Project Cost (HUD Form 6204 and attachment) Project, copies of which are attached hereto; and

WHEREAS, the LPA has submitted certification that any environmental review required by 24 CFR Section 58.20 has been completed, and that the citizen participation requirements under 24 CFR Section 570.803 (e) (2) have been complied with;

WHEREAS, with respect to the Project, all approved project activities (other than the sale of land) for which project funds are available, or noncash local grants-in-aid which would otherwise have been required, will not have been substantially completed prior to the date of the financial settlement, and such settlement will result in a surplus grant and the use of unearned grants for the repayment of temporary loans;

WHEREAS, the LPA City and HUD, the parties hereto, recognize and acknowledge that the requirements with respect to certain remaining obligations as herein set forth are a condition to the approval by HUD of the financial settlement;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representation contained herein, the parties hereto agree as follow:

A. The following parcels of property acquired with project funds remain undisposed. The net proceeds from the disposition of such property after financial settlement shall be treated as program income of the City under the provisions of 24 CFR 570.506.

B. The parcels referred to in (A) shall be retained for disposition by the LPA subject to the covenants specified in Section 570.801(c) (1)(i), (ii), (iii) and (iv). In the disposition of such land, the provisions of Section 110(c) (4) of Title I of the Housing Act of 1949, as amended, regarding fair use value shall not apply.

C. On displacement from any properties listed in A and B above, the displacees shall be provided with all of the benefits to which they may be entitled under the Uniform Relocation Assistance and Real Property Act of 1970. Prior to such displacement the maintenance of occupied residential properties listed above shall be substantially consistent with the property management standards which were applicable to such property prior to the financial settlement.

D. Any costs of obligations incurred in connection with the project with respect to claims which are disputed, contingent, unliquidated or unidentified, and for the payment of which insufficient project funds have been reserved under the financial settlement, shall be borne by the City. Project funds reserved for such purposes shall be added to and identified in the letter of credit under the City's Community Development Block Grant Program as specified below:

<u>Obligations</u>	<u>Costs</u>
Administration	\$ 50,000
Temporary Operation of Acquired Property	130,000
Legal Service	4,400
Appraise-in-Court Fees	2,200
Real Estate Settlement Costs	38,000
Relocation Payments	31,420

E. Subject to the provisions of F, below, the surplus grant remaining after the financial settlement of the Project shall be added to the letter of credit under the City's Community Development Block Grant Program, subject to the requirements applicable to the use of funds for activities under that Program; provided, that such surplus funds are obligated in the amounts and for the purposes set forth below:

<u>Activities in this project:</u>	<u>Estimated Costs:</u>
Administration	\$ 50,000
Temporary Operation of Acquired Property	130,000
Legal Service	4,400
Appraise-in-Court Fees	2,200
Real Estate Settlement Costs	38,000
Relocation Payments	31,420

F. The availability of surplus grant funds under the provision of E above may, at the discretion of HUD, be subject to completion of an audit and satisfaction of any audit exceptions with respect to the Project, or any other projects located in the City. Neither such surplus grant funds or other funds available under the City's Community Development Block Grant Program shall be used for payment of ineligible Project costs.

G. The obligations under this Closeout Agreement are subject to the Program Management requirements of 24 CFR Part 570, Subpart J.

H. If any provision of this Agreement is held invalid, such holding shall not affect the validity of the remainder of the Agreement.

IN WHITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and their seals to be hereunto affixed and attested as of the _____ day of _____, 19 _____.

(Seal)

_____ LPA

ATTEST:

By _____
Chairman

_____ Secretary

(Seal)

_____ City

ATTEST:

By _____
Title

CONCUR:
UNITED STATES OF AMERICA
SECRETARY OF HOUSING AND URBAN
DEVELOPMENT

By _____
(Title)

July 28, 1977

MEMORANDUM

TO: THE BOSTON REDEVELOPMENT AUTHORITY
FROM: ROBERT F. WALSH, DIRECTOR
SUBJECT: FINANCIAL SETTLEMENT OF THE WASHINGTON PARK PROJECT

Under the Housing and Community Development Act of 1974, projects can be financially settled prior to their full completion. Under the procedures of the Act, the Authority and the City jointly apply to the Department of Housing and Urban Development for final grant payment. After executing an agreement on the terms of the settlement, HUD retires the outstanding loan with the Federal grant balance and provides any surplus grant to the City as Community Development funding.

The primary incentive for such an early settlement is to eliminate interest costs to the Authority. The Washington Park Project currently incurs \$8,900 in interest costs per month.

The Washington Park Project is substantially complete, except for land disposition, certain public improvements, and fees. I have requested that HUD consider the project for early financial settlement, and that the surplus grant be returned to the City as Community Development Grant, to be allocated to remaining Urban Renewal costs.

HUD has given preliminary approval. HUD and the City have indicated their willingness to enter into the attached settlement agreement. It stipulates that the final grant payment will be used for note repayment, with the balance to be allocated to remaining activities and obligations in the Project. The balance will be provided to the Authority through an amendment of our contract with the City of Boston to carry out Community Development activities. The BRA's responsibility for remaining activities, including land disposition, and the execution of improvement contracts, would not be altered.

It is, therefore, recommended that the Authority authorize the Director to apply to HUD for financial settlement of the Washington Park Project, to enter into an agreement with HUD and the City of Boston stipulating the terms of this settlement and the use of surplus grant, and to amend our Community Development contract with the City of Boston to incorporate the remaining project activities.

An appropriate vote follows:

VOTED: That the Director is authorized to apply to HUD for financial settlement of the Washington Park Urban Renewal Project, to enter into an agreement with HUD and the City of Boston stipulating the terms of the settlement and the use of surplus Federal grant, and to amend our Community Development contract with the City of Boston to incorporate the remaining project activities.

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